



DAVID E. JANSSEN
Chief Administrative Officer

County of Los Angeles CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101

July 20, 2001

To: Supervisor Michael D. Antonovich, Mayor
Supervisor Gloria Molina
Supervisor Yvonne Brathwaite Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

From: David E. Janssen
Chief Administrative Officer

Board of Supervisors

GLORIA MOLINA
First District

YVONNE BRATHWAITE BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

STATE LEGISLATIVE UPDATE

Pursuit of County Position on Legislation

Two bills to address Southern California Edison's financial problems, are being rushed through Committee hearings and may be taken up on the floor before the legislature breaks for recess. Both bills address the question of how to pay for the roughly \$3.5 billion of net "undercollections" that Edison owes to providers in ways that would disproportionately increase the County's cost for electricity in its larger facilities served by Edison. **SB 78 2X(Polanco)** would authorize Edison to issue \$2.5 billion in bonds that would be secured and paid for through a dedicated rate component paid only by Edison's largest customers, which include many County facilities. **AB 82 2X (Keeley)** would also authorize bonds up to the amount of the negotiated settlement with Edison (roughly \$2 billion) that would be secured and paid for by all Edison customers for 2 years and thereafter by only the largest customers. In effect, both bills would shift the burden of paying for power consumed by all users to one group of users that include some of the County's largest facilities which have already experienced rate increases and loss of discounts equivalent to a 75 percent rate increase. **Consequently, consistent with Board policy to seek stable electricity prices, we will oppose SB 78 2X and AB 82 2X unless they are amended to either apply the dedicated rate component uniformly to all customers or to exempt public facilities .** A third Edison bill - **AB 50 2X (Campbell-Wright)**- is also under consideration. It would have all customers share the burden of a bailout.



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We will keep you advised.

DEJ:GK
JR:md

c: Executive Officer, Board of Supervisors
 County Counsel
 Local 660
 All Department Heads
 Legislative Strategist
 Coalition of County Unions
 California Contract Cities Association
 Independent Cities Association
 League of California Cities
 City Managers Associations
 Buddy Program Participants